

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: May 21, 2007

Bill Number: H.B. 4064

Author: G. Brown

Committee Requesting Impact: House EPW

Bill Summary

A bill to amend Chapter 3, Title 56 of the 1976 code, to provide that the Department of Motor Vehicles (DMV) may issue Beach Music license plates.

REVENUE IMPACT ^{1/}

This bill is expected to raise DMV earmarked funds by \$3,800, and also raise Motor Vehicle License revenues within the state General Fund by \$4,200 in FY 2007-08.

Explanation

This bill authorizes DMV to issue "Beach Music" special license plates. A special fee of \$20 applies to each plate and is in addition to the regular (\$24/auto or \$30/truck) biennial registration fee. A minimum of 400 paid applications for the plate or a deposit of \$4,000 and a marketing plan approved by DMV is required for production. Special fee proceeds, net of production costs retained by DMV, go to the state General Fund.

Based on minimum sales of 400 tags in the initial year, at \$20 each, we expect a gross yield of \$8,000 in special fees in FY 2007-08. Of this amount, DMV would receive \$3,800 for production costs, based on an estimate of \$9.50 per plate. The balance of \$4,200 would go to Motor Vehicle Licenses within the state General Fund.

Analyst: Di Biase

/s/ William C. Gillespie

William C. Gillespie, Ph.D.
Chief Economist

^{1/} This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).